

PRE-NEED FUNERAL TRUST BILL

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 12, 1997

Mrs. MINK of Hawaii. Mr. Speaker, I recently introduced legislation (H.R. 684) to relieve the tax burden for individuals who have purchased preneed funeral trusts. A preneed funeral trust is one in which monies are set aside for future funeral costs, in order to alleviate funeral expenses that may abruptly saddle remaining family members with tremendous and even unexpected financial burden. Individuals usually enter into a contract and purchase preneed funeral trusts with funeral or burial service providers, deciding at that time on final arrangements for themselves and/or family members.

H.R. 684 would remedy a bureaucratic inequity related to preneed funeral trusts which was created by a January 29, 1988 Internal Revenue Ruling (87-127). Under this IRS ruling, individuals purchasing preneed funeral trusts are required to report money in these trusts on their 1040 income tax forms and pay taxes on the interest income earned by these trusts, despite the fact that this interest is not returned to the purchaser. This has created confusion on the part of the purchasers who believe it unfair that they be assessed this tax on interest they never receive nor benefit from.

The ruling also established two classes of taxpayers with disproportionate tax treatment. Trusts purchased before the effective date of the ruling were subject to a grandfather clause, establishing a significant inequity between trusts purchased before and after the effective date.

H.R. 684 would require providers of preneed funeral trusts—funeral homes or cemeteries—to pay the tax on interest earned on the trusts, unless the interest is returned to the purchaser.

A related provision from the Ways and Means Committee was included in the vetoed Balanced Budget Act of 1995 that would have allowed providers of preneed funeral trusts to elect to pay the tax on interest earned on these trusts.

I urge my colleagues to support H.R. 684 to relieve families from unwarranted taxes.

RETIREMENT OF MAJ. GEN.
RAYMOND PENDERGRASS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 12, 1997

Mr. SKELTON. Mr. Speaker, Raymond Pendergrass prepares to retire more than 48 years after first donning a uniform. A native of Boonesville, AR, he first joined the Armed Forces as a member of the Air Force Reserves in September, 1948, then joined his hometown Army National Guard unit, the 217th Medical Collecting Company, a litter bearer unit. The unit was called to active service in August 1950 and deployed to Korea, where General Pendergrass served with them through June 1952.

By the time he moved to Missouri, General Pendergrass had been commissioned and

served with signal and armor units. Locating in Rolla, MO, he joined the 1438th Engineer Company, and later would command the company.

He moved through the ranks, and at the time of his retirement as a colonel in February, 1986 was deputy commander of the 35th Engineer Brigade. His time in the retired ranks lasted 7 years almost to the day. Missouri Gov. Mel Carnahan recalled him to duty and he became Missouri's adjutant general in February 1993.

Immediately General Pendergrass had to deal with difficult reorganization decisions facing the National Guard as a result of the post-cold war reductions being made to the Army and Air Forces. But in only 4 months a more acute challenge faced him, the great flood of 1993.

Beginning in July 1993 and for the next 2 months, General Pendergrass led the men and women of the Missouri National Guard in its largest State emergency mission ever as both the Missouri and Mississippi Rivers overran their banks and everything in front of them.

General Pendergrass and the men and women of the Missouri National Guard worked with scores of State and Federal agencies to provide a response capability unequalled anywhere during that massive multi-State disaster.

General Pendergrass applied his leadership skills to ensure that the forces of the Missouri National Guard were equally accessible for Federal missions. During his tenure as adjutant general, units and individuals from the Missouri National Guard have served with distinction from Germany to the Balkans in Operation Joint Endeavor, and earlier in Somalia, Haiti, and Rwanda. During the same period his units led our nation-building efforts in Latin America, building roads and schools and providing medical care to families in isolated rural areas from Belize to Panama.

Through all his years of service to our Nation, Raymond Pendergrass has been more than a military leader, more than a man who knows that leading involves teaching. He has served as a gentlewoman willing to answer the call time after time, even returning from well-earned retirement. He is more than one of the last to remain in uniform with a Korean War combat patch on his right shoulder. He is a leader whose distinguished career is surely in the finest tradition of the American citizen soldier.

UNITED STATES-INDONESIAN
RELATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 12, 1997

Mr. HAMILTON. Mr. Speaker, I ask permission to include in the RECORD an exchange of letters with the State Department regarding United States relations with Indonesia.

Mr. Speaker, Indonesia, which is the world's fourth largest country in terms of population, will almost certainly play an important role in Asia in the 21st century. An effective American presence in Asia will be far more likely if our relations with Indonesia are on a sound footing. Unfortunately, there are a number of

issues—most notably, East Timor, human rights, and labor rights—that at present limit our ability to develop strong across-the-board ties with Indonesia.

Given the actual, and even more the potential, importance of this bilateral relationship, I encourage my colleagues to read the enclosed exchange of letters.

COMMITTEE ON INTERNATIONAL
RELATIONS,

HOUSE OF REPRESENTATIVES,

Washington, DC, November 20, 1996.

Hon. WARREN M. CHRISTOPHER,

*Secretary of State,**Washington, DC.*

DEAR MR. SECRETARY: I write in order to share with you some of my thoughts on the U.S. relationship with Indonesia.

I believe it is very much in the U.S. interest to have a fundamentally sound relationship with Indonesia. Unfortunately, I fear that we are reaching a point where it may be impossible to sustain political support in the Congress for such a relationship. Certainly a repetition of the events associated with the Jakarta riot last July, and the government's subsequent crackdown on its critics, would undermine congressional support for solid relations with Indonesia.

For this reason, I would urge you and other senior administration officials to make certain that President Suharto understands that the maintenance of a cordial U.S.-Indonesian relationship depends upon the avoidance of any further upheavals in either East Timor or the rest of Indonesia.

Given the importance of the East Timor issue to many Members of Congress, you might suggest specific steps Jakarta could take to ease tensions in East Timor and assuage congressional concern in Washington. Reducing the number of Indonesian troops and police in East Timor would be an invaluable first step. In addition, you might encourage the Indonesian government to:

Continue and accelerate Indonesia's dialogue with Portugal regarding East Timor.

Recognize the importance of bringing the East Timorese themselves into a dialogue regarding the future of the province.

Grant increased access by international human rights organizations to all areas of Indonesia, including East Timor.

Provide for a full accounting for those who have been killed or "disappeared" in recent years.

Ensure that if the security forces do commit abuses, punishments are carried out in a manner that will act as a deterrent to future abuses.

Finally, Mr. Secretary, I would urge you and your colleagues in the administration to pay particular attention in the coming months to the need for informing Members of Congress of the many ways in which a constructive relationship with Indonesia serves U.S. interests. Many Members of Congress think of Indonesia almost exclusively in terms of either East Timor or worker rights issues. Certainly these are important issues, but they are not the only issues which ought to drive U.S. policy toward what is, after all, the world's fourth largest state. I would urge the administration to give a higher priority to the need for articulating the case for a cooperative relationship between the United States and Indonesia.

I believe that the President's reelection two weeks ago gives us a crucial opportunity to lay the groundwork for an effective American presence in Asia well into the 21st century. Indonesia will almost certainly play a leading role in Asia in the years to come, and I look forward to working closely with the administration over the next four years to strengthen our ties with this important country.